

**Montana Public Employee Retirement Administration
Table of General Revisions Legislation to be considered for 2013
February 4, 2013**

Current Code Section	Proposed Change	Reason	Notes
19-2-303(19) p.3	Expand definition of direct rollover to include rollovers in and out of plan.	Currently the definition addresses direct rollovers from our plans but not into our plans.	Attempted to address by rule but determined to be out of scope.
19-2-403(4) p.8	Address situation where a member's job includes work covered by 2 different systems	Becoming more common – employers are changing positions and including duties perhaps for budgetary reasons	Sheriffs/coroner SRS/PERS Police/Administration MPORS/PERS
19-2-403(5) p.8	Address contribution payments that are made to the incorrect system	Currently in 19-2-903(1) but that statute is in a Benefits part, not a contributions part.	
19-2-406(1) pp.9-10	Move disability application process and 4 month limit from 19-3-1005	Applies to all systems	This change was missed in 1993 when re-codification occurred. We did not realize it until the 4 month came up with respect to a non-PERS member claiming disability
19-2-505(5) p. 11	Include accumulated contributions for deceased member's, whether vested or not	Not addressed here or in 19-2-1003. 19-2-1003 is for nonvested, living or deceased	5 years is OK here because deceased.
19-2-706(6) p. 12	Reduce returned contributions proportionately rather than by the entire benefit	Fairness	This is for RIF'd employees who opt to have their employer purchase service credit to increase their retirement benefit, but then returns to work for more than 960 hours. The member forfeits the purchased service credit and the employers' contribution is credited back to the employer.

EXHIBIT 6
DATE 02/04/2013
HB 105

Current Code Section	Proposed Change	Reason	Notes
19-2-801(2) p. 13	Reference section 40-4-121 as TROs issued under that statute now apply to retirement system beneficiary designations	Supreme Court decision in Briese	Prevents a member from removing their spouse as a beneficiary in the midst of divorce proceedings
19-3-412(2) p.16	Change "calendar year" to "fiscal year".	We base optional membership requirements on fiscal year	Programming
19-3-512(3) p.18	Military time exclusion is no longer necessary.	Military time can now be purchased after 5 years of membership service and service credit from other public retirement systems is membership service	At one time, military time required 10 years of service before it could be purchased.
19-3-908(7) p. 19	Reduce returned contributions by benefits related to the contributions rather than by the entire benefit	Fairness	This is members who chose to have 3 years of service purchased by their employer as part of the retirement incentive, but then returns to work for more than 960 hours. The member forfeits the purchased service credit and the employers' contribution is credited back to the employer. Retirement Incentive Program
19-3-1005 p. 40	Move to chapter 2, 19-2-406	Disability application process applies to all disabilities. Procedure and four month limit should also.	Repealed. Moved to chapter 2 so the process, including the 4 month limit, would apply to all systems, not just PERS.
19-3-1103 p. 19	Expands "gainful occupation" to include self-employed	Addresses issues raised by disabled members; requires annual reports of monthly income	
19-3-1106 p.21	Insert a new (7)(b) including returning to work as an IC	More retirees are asking to return as an IC; no reason to treat differently than temp workers	TRS has this requirement

Current Code Section	Proposed Change	Reason	Notes
19-3-1210 pp.21-22	Clarify – application to options 1, 2 and 3	Options 2 and 3 must designate a contingent annuitant in order to apply for retirement benefit.	Option 4 addressed in 19-3-1501 Amended 19-3-1501 to define “option 1”
19-3-1501 pp.22-23 19-5-701 pp.26-28 19-7-1001 pp.31-33 19-8-801 pp.34-36	Specifically state that once a retirement benefit has been deposited or cashed, the option cannot be changed expect upon death or divorce as provided in the statutes (pp.23,27,32,35) Clarify that (1) is known as Option 1 (pp.22,26,31,34) Travel costs for out-of-town members of EIAC	People have asked to change their option. This is not feasible since based on actuarial determinations. We reference option 1 in communication/education material; ease of reference Since not subject to 2-15-122, nothing currently allows for travel costs to be reimbursed	Same change is made in all systems with optional retirement benefits – PERS (19-3-1501), Judges’ (19-5-701), Sheriffs’ (19-7-1001) and Game Wardens’ and Peace Officers’ (19-8-801) The other systems have statutory beneficiaries who received the same benefit as if the member in the event of the member’s death.
19-3-2133 p.24	Travel costs for out-of-town members of EIAC	Since not subject to 2-15-122, nothing currently allows for travel costs to be reimbursed	We have a difficult time recruiting out-of-town members for the Employee Investment Advisory Council. Travel expenses may help.
19-5-802(3) p.29	Reference 19-5-502 rather than go through 19-5-503 then to -502 for determining beneficiary’s benefit.	Ease of understanding.	Judges’ Retirement System
19-5-801 and 19-5-802 pp.28-29	Address “benefit” available if member dies unvested – non duty related and duty related	Non-duty related, pre-vesting is not currently addressed.	Judges’ Retirement System
19-5-802 p.29	Clarify – application to options 1, 2 and 3	Options 2 and 3 must designate a contingent annuitant in order to apply for retirement benefit.	Judges’ Retirement System Option 4 addressed in 19-5-701 Amended 19-5-701 to define “option 1”

Current Code Section	Proposed Change	Reason	Notes
19-6-601 pp.29-30	Add "Vested" member to (1)	We already require members to be vested in order to be eligible for non-duty disability.	Highway Patrol Officers' Retirement System
19-7-503 p.30	Clarify – application to options 1, 2 and 3	Options 2 and 3 must designate a contingent annuitant in order to apply for retirement benefit.	Sheriffs' Retirement System Option 4 addressed in 19-7-1001 Amended 19-7-1001 to define "option 1"
19-7-601 p.30	Clarify whether and when vesting is required		Sheriffs' Retirement System
19-7-901 p.31	We base actuarially equivalent on age 60, not age 65	Consistency between sections (19-7-502 and 19-7-901) Overlooked in 1987.	Sheriffs' Retirement System
19-8-302(2) and (3) p.33	Change 30 to 90 days for election period. Applies to PERS members hired into a GWPORS' covered position.	Consistency	Game Wardens' and Peace Officers' Retirement System
19-8-701 p.34	Clarifies that only vested members may receive a disability benefit and the difference between duty related and non-duty related	Must be vested in order to receive disability; disability differs when duty related.	Game Wardens' and Peace Officers' Retirement System
19-8-1002 p.36	Clarify – application to options 1, 2 and 3	Options 2 and 3 must designate a contingent annuitant in order to apply for retirement benefit.	Game Wardens' and Peace Officers' Retirement System Option 4 addressed in 19-8-801 Amended 19-8-801 to define "option 1"
19-9-710 p.37	Delete (1)(a) and renumber	There are no more active members who were hired before July 1, 1975. contribute 5.8%	Municipal Police Officers' Retirement System Rate applied to municipal police officers hired on or before June 30, 1975.

Current Code Section	Proposed Change	Reason	Notes
19-9-710(2) p.37	Add 19-9-1013	Overlooked when 19-9-1013 adopted; requires a 9% contribution rate	Municipal Police Officers' Retirement System
19-9-1007 pp.37-38	Reference 7-32-443 which defines "newly confirmed" police officer	Consistency/accuracy	19-9-1013 provided for an extended GABA election period. 9% is the member contribution for all members who choose GABA. Municipal Police Officers' Retirement System
19-13-104 p.39	Define "newly confirmed firefighter" based on 7-33-4106 and AG opinion	Consistency/accuracy	Firefighters' Unified Retirement System
19-13-104(9) (new (10)) p.39	Remove reference to 7-33-4109 and clarify	7-33-4109 doesn't address partpays.	Firefighters' Unified Retirement System
19-13-803(2) p.40	Replace incorrect reference	19-13-104 is the definitions section. 19-13-704 is the section that establishes benefits.	Per Title 7, chapter 33, only 2 nd class cities can hire part-pays. Firefighters' Unified Retirement System
19-17-605 p.40	Delete earnings limitation	Not an earnings based retirement benefit	Volunteer Firefighters' Compensation Act